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TAGS: [EAID](#) [EFIN](#)

SUBJECT: GHANA: TRANSPARENCY OF BUDGETS/MILITARY SPENDING

REF: STATE 239929

The following responds to reftel request for a report indicating whether Ghana meets the standards set out in U.S. Transparency of Budgets legislation. Post obtained this information primarily from officials from the Office of the Auditor General. Answers provided below correspond with questions posed reftel.

[1A. General Overview](#)

[1. Are military expenditures audited?](#)

Deputy Auditor General Kwadwo Akowuah informs post that Ghana audits military expenditures, and has done so since 1996. For a long time the Ghana Armed Forces (GAF) and the Office of National Security resisted submitting to an audit of ammunition and aircraft, citing confidentiality and national security reasons. However, in 2004, Parliament asserted its constitutional authority and directed the Auditor General to conduct the ammunition/aircraft audit. The Auditor General's office is currently preparing to conduct this audit.

[2. By whom are military expenditures audited?](#)

The Auditor-General's representative located at the Ministry of Defense audits the military expenditures on a routine basis.

[3. To whom are the audits reported?](#)

The Auditor General's representative at the Ministry of Defense prepares an annual report, which is reported to Unit Commanders, the Chief Director of the Ministry of Defense, Chief of Defense Staff, and the Minister of Defense. It also goes to the Auditor General. The Auditor-General submits annual audit reports on all Ministries, Departments, and Agencies, including the Ministry of Defense, to Parliament. (Note: although it does not appear that either Parliament or the Auditor General publishes the annual audit for the public, portions of it usually show up in the national media and it is not difficult to obtain copies. End Note)

[4. Are any of the people who receive the audits civilian authorities?](#)

Yes. The Minister of Defense and Parliamentarians are civilian authorities. Also, the Auditor General's annual report is provided to all Ministers on the Cabinet and to the President -- all civilians. The auditors are also all civilians.

[5. Is there an existing framework for conducting annual audits of military expenditures?](#)

Yes. The Auditor-General's representative, who is permanently stationed at the Ministry of Defense, audits the expenditures on a routine basis.

[6. Is there legislation or an instituted government policy that requires annual audits of receipts that fund the military?](#)

Article 187 of Ghana's Constitution as well as the Audit Service Act of 2000 (Act 584) provide the legal backing for the auditing of all public accounts, including military expenditures. The Auditor-General submits its reports to Parliament, which then debates and, when necessary, appoints a committee to deal with issues arising out of the report.

Prior to 1996, the GAF and national security authorities would not acquiesce to audits of military and security expenditures. However, Parliament asserted its Constitutional authority and demanded the audits be allowed. Since 1996, the GAF and national security authorities have become more receptive to audits, and prescreened certain employees of the Auditor-General's Department to allow them to audit military spending. Although access was limited to non-ammunition spending until 2004, the Auditor-General, through Parliamentary action, now has unlimited access to audit all military operations.

Annual audit reports to Parliament were in arrears of 2-3 years because the Audit Service lacked resources to conduct the audits. The Audit Service mapped out a strategy to complete all backlogs, and is currently auditing the 2003 budget.

(Note: Deficiencies do not appear to be intentional, rather are due to lack of resources and capacity constraints, and are not limited to the GAF audits. Recent improvements are in part due to Parliamentary pressure. Parliament is exercising more authority than in the past and is pressing the Auditor General to improve quality and speed up audits. End Note)

B. Military Budget, On-budget/Off-budget Revenues and Expenses

1) Does the country's budget include the armed forces and security forces?

Yes.

2) To post's knowledge are there significant off-budget military receipts? Are they audited?

Significant off-budget expenses are incurred on GAF's participation in international (mostly UN) peacekeeping operations, but the Auditor-General's Department could not provide figures. However, the Audit Service recently conducted audits for the first time on some of Ghana's UN peacekeeping operations.

C. The Military Component of the National Budget

1) Are productive development objectives prioritized over unproductive (e.g. military) objectives?

Yes. (Note: Military spending is relatively minor in Ghana. It makes up less than one percent of GDP and about 2.8 percent of the budget. (Note: the combined budget for GAF and Office of National Security comprises 1.1 percent of GDP and 3.8 percent of the total budget. End Note) Ghana is under tough spending restrictions under its agreements with the IMF and World Bank. Poverty-related spending is a much higher priority than military spending, and the IMF and World Bank (and other donors) monitor Ghana's budget carefully to ensure there is no unapproved transfers to the military budget. End Note)

2) Is there a mechanism for debate over budget priorities, such as through legislative assembly (e.g. Parliament)?

Yes. Parliament debates and approves the annual budget every spring. In 2004, the budget for national security (including the GAF) was thoroughly reviewed and discussed when the minority party in Parliament was suspicious that the government (and majority party) might divert the budget increases allocated for 2004 to campaign activities. (Note: Presidential and Parliamentary elections took place December 7, 2004. End Note)

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